

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 6315**

**BILL NUMBER:** HB 1171

**DATE PREPARED:** Jan 30, 2002

**BILL AMENDED:** Jan 29, 2002

**SUBJECT:** Lead-based Paint.

**FISCAL ANALYST:** Bernadette Bartlett

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**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
**FEDERAL**

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill sets the times for expiration and renewal of lead-based paint activities licenses and adjusts training requirements for licensure. The bill provides for the licensing and training of clearance examiners. With an exception for certain homeowners, it prohibits the use of certain methods to remove lead-based paint and requires that removed paint be discarded. A laboratory that tests the blood of certain children for lead must report to the Department of Health. Information that is gathered concerning the concentration of lead in the blood of children less than seven years of age must be shared with certain federal, state, and local government agencies.

**Effective Date:** July 1, 2002.

**Explanation of State Expenditures:** The Indiana Department of Environmental Management (IDEM) administers the lead-based paint activities licenses and training program. The proposal extends the issuance period of all disciplines of lead-based paint activity licenses from a one-year period to a two-year period for initial licenses, and a three-year period for renewals. The bill also adds a new type of license called "clearance examiner license" and a new type of training course called "clearance examiner training course."

**Fees:** The extension of the license period from one year to two years or three years offsets the administrative costs, except for the licensees who are exempt from the fees. The added expense to administer the proposed clearance examiner license and the clearance examiner training course will be offset by the fees generated, with the exception of costs associated with entities that are exempt from the fees.

**Refresher Training:** The proposal does not indicate if the refresher training will continue to be annual or if it will coincide with the period of time for which licenses are issued. If verification of refresher training is required to be submitted to IDEM every year, but fees are remitted every two and three years, IDEM's administrative costs would increase by an indeterminable amount.

**Enforcement:** Currently, inspections are conducted only upon notification of an abatement project or a complaint. The proposed legislation establishes work practice requirements for remodeling, renovation, and maintenance activities at target housing and child-occupied facilities built before 1960, lead-based paint activities, and other activities that disturb painted surfaces. Additional complaints are probably under the proposed work practice requirements which would result in additional inspections. The fiscal impact to inspect and respond to complaints would increase by an indeterminable amount.

**Rule-making:** The proposal calls for amendments to the administrative rules. Rule-making activities would be absorbed with existing IDEM staff and resources.

The proposal also requires a person that examines the blood of a child of less than seven years of age for the presence of lead must report the results to the State Department of Health. The impact of this provision will depend on the number of examinations that are reported and the process, if any, that the Department will institute to record, compile, and respond to the information.

**Explanation of State Revenues:** Current sources of funding for the Lead Trust Fund are the fees for lead-based paint activity licenses and approvals of training courses. The money in the fund is used to cover the costs of administering the program, which includes the administration of the licensing and training course provider program, inspections, and enforcement. The application/renewal fees for lead-based paint activities licenses range from \$50-\$150, depending on the discipline. A state, county, municipality, municipal corporation, and township are exempt from paying the lead-based paint activities license fees. The application fees for a training course are \$1,000 for an initial application and \$500 for a renewal. A state, a municipal corporation, municipality, county, township, and an organization exempt from income taxation under 26 U.S.C. 501(a) are exempt from paying the training course approval fees. Approximately half of the applicants for licenses and approvals are exempt from the fees. Due to the number of applicants who are exempt from the various fees, the program currently operates in the "red."

Although the proposal changes the licenses being issued from a one-year period to a two- and three-year period, IC 13-17-14-5(8) provides that the Air Pollution Control Board must "Establish a fee of not more than \$150 per person, per license, per year..." The fees are established in administrative rules. Therefore, it is uncertain at this point if the Air Pollution Control Board will amend the rules to change the amount of the fees or how often the fees are collected, whether the fees will be changed or remain the same, and if they will be collected every year or collected at time intervals that coincide with the period of time for which the licenses are issued. If fees are not changed and continue to be collected annually, money from fees would remain at current levels. If collected every two years, money in the fund would be reduced by 50%; if collected every three years, money in the fund would be reduced by 67%.

The following amounts were deposited in the Lead Trust Fund for the past three years:

FY 1999	\$14,050
FY 2000	\$5,400
FY 2001	\$33,050

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Environmental Management (IDEM) and the State Department of

Health.

**Local Agencies Affected:**

**Information Sources:** Erika Seydel Cheney, Director of the Office of Business and Legislative Relations (IDEM), 317-232-8598.